

MARKET ANALYSIS - July 25, 2002

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The biggest story this week to move the market was the drop in crop ratings – obviously influenced by the driving force of weather. Each day we witnessed more gains in the grain pits (except Wednesday), but encouraging export news combined with more weather worries on Thursday put prices back on their upward trajectory. Corn’s front month contract (September) is now trading at its highest level in over two years. In just one week, its value has reached almost 20 cents, driven mainly by the fact that the USDA ratings dropped 4% out of the good to excellent ratings and it is now rated at 42% compared to 49% a week ago. The buying continued late Thursday after it was announced that corn sales netted 1.073 million metric tons (combined old and new). Major increases were reported for Japan and Canada. Traders are taking this market one day at a time with weather news causing sharp daily moves. Soybeans continue to move higher with new contract highs. November beans are up over 80 cents this past month and this could easily keep going if rains don’t come soon. Crop ratings and export numbers also gave prices a boost, with soybeans being rated at 43% good/excellent down from 50% last week and exports netting 428,200 (combined old and new crop), which was also above trade guesses. Wet weather might force prices back down, but most analysts don’t see this on the horizon. In fact, some bulls are suggesting that \$6-\$7 November beans are not out of the question as this year’s ending stocks approach the lowest levels we have witnessed since 1996/97. The options therefore are a great safety net to what is now a good situation to be in. While local basis weakened slightly, we did see about a 10-cent increase in the November contract over the week. Wheat futures have also been moving up, mainly driven by spillover pressure from the corn and bean pits. Wheat exports totaled 560,200 metric tons, above most market expectations with increases for Mexico, Taiwan, and Japan amongst others. We might see some wheat harvest pressure kick in before too long, but with the weather worries in place, this looks more and more unlikely. Lastly the dollar has strengthened slightly this week, which might hurt grain exports, but the weather is so much more of a dominant force in all of the markets that this fact has been largely ignore.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Sep02)	NEW (Dec02)	CASH (Sep02)	NEW(Nov02)	CASH(Sep02)	NEW(Jul03)
Baltimore	n/a	n/a	+\$.07	-\$.39	n/a	n/a
Western MD	+\$.14	n/a	-\$.31	n/a	-\$.36	n/a
Central MD	+\$.24	+\$.03	-\$.22	-\$.29	-\$.20	-\$.37
Southern MD	-\$.02	Even	-\$.02	-\$.25	-\$.26	-\$.43
Upper E. Sh	+\$.14	+\$.03	-\$.01	-\$.25	-\$.27	-\$.40
Lower E. Sh	+\$.28	+\$.13	+\$.07	-\$.17	-\$.25	-\$.40

WEEEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTIURAL STATISTICS

Northern Eastern Shore appears to have been impacted the most by the drought with 71 percent of the corn crop rated in poor to very poor condition. Southern Maryland and Southern Eastern Shore 66 percent and 59 percent rated poor to very poor respectively. Soybeans in Southern and Northern Eastern Shore are affected the most by the dry weather with 64 percent and 62 percent rated poor to very poor respectively. Topsoil rated adequate, 8 percent. Topsoil moisture is rated 15 percent adequate, 42 percent short, and 43 percent very short. Subsoil rated adequate and declined 4 percent. Subsoil moisture rated 8 percent adequate, 38 percent short, and 54 percent very short.

CASH GRAINS - REGIONAL - (\$/BU) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y. Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	Date	07/17	07/24	07/17	07/24	07/17	07/24	07/17
Baltimore	----	----	5.79	5.85	----	----	----	----
Western Md	2.60	2.63	5.44	5.47	2.95	3.00	1.40	1.42
Central MD	2.57	2.73	5.34	5.56	3.18	3.16	1.48	1.48
Southern MD	2.30	2.47	5.68	5.76	3.09	3.10	1.15	1.15
Upper E. Sh	2.36	2.63	5.77	5.77	3.03	3.09	1.25	1.28
Lower E. Sh	2.57	2.77	5.88	5.85	3.10	3.11	1.28	1.29
Soybean Meal Lower Eastern Shore Dealer’s Average Cash Quotes (\$/ton)								
Date	07/17	07/24	Date	07/17	07/24			
48% Soybean Meal	222.00	223.00	44% Soybean Meal	210.00	211.00			

FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer’s Avg Quotes								
Grade and Commodity	#2 Y. Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	Date	07/17	07/24	07/17	07/24	07/17	07/24	07/17
Baltimore	----	----	5.00	5.05	----	----	----	----
Western Md	----	----	----	----	----	----	1.50	---
Central MD	2.42	2.62	5.01	5.15	3.07	3.09	----	----
Southern MD	2.37	2.59	5.06	5.19	----	3.03	1.15	1.15
Upper E Shore	2.32	2.62	5.03	5.19	3.07	3.06	1.25	---
Lower E Shore	2.52	2.72	5.14	5.27	3.08	3.06	1.35	1.25

GRAIN FUTURES- Chicago Board of Trade (cents/bu) Settle - July 24, 2002							
Corn		Soybeans		Wheat		Soybean Meal ¹	
Sept	249.25	Aug	584.00	Sept	336.00	Aug	187.80
Dec	259.25	Sept	560.00	Dec	345.50	Sept	180.20
Mr03	264.00	Nov	544.00	Mr03	351.50	Oct	174.40
May	266.50	Ja03	543.50	May	342.50	Dec	173.30
Jul	268.25	Mar	541.25	Jul	332.50	Ja03	172.00
Sept	253.00	May	538.75			Mar	170.40

¹ \$/ton

HAY AND STRAW (\$/cwt)											
New Holland, PA - July 22, 2002 - \$/ton - 70 Loads											
Alfalfa		Timothy		Mixed		Straw		Orchardgrass			
85.00-185.00		100.00-200.00		40.00-230.00		65,00-105.00		85.00-190.00			
Westminster, MD - \$/bale - July 23, 2002 - 91 lots											
Alfalfa		Timothy		Mixed		Straw		Grass			
1.10-5.00		1.20-4.00		1.40-3.10		1.10-2.20		Lg Rd			
POULTRY (Grade A) - Week Ending July 27, 2002 Negotiated Price, cents/lbs											
		Current Week		Week Ago		Month Ago		Year Ago			
NY Wtd Avg. (Fryers)		50.95		51.17		56.70		56.25			
12-City Composite		57.64		57.56		58.00		59.96			
LAMBS - Westminster, MD - \$/cwt - July 23, 2002											
Hi-Ch-Pr	95-125 lbs	74.00-79.00	Good Ch	60-90 lbs	74.00-80.00	Sheep	10 hd	23.00-29.00			
TERMINAL MARKET HOGS-July 24, 2002					DIRECT MARKET HOGS - Westminster, MD - \$/cwt-July 23, 2002						
Base Price Range (\$/cwt)		Carcass Basis		Sows (1-3)		1&2		225-260 lbs			
a.m.		Base 185 lb Hog		300-449 lbs		1&3		265-290 lbs			
Eastern Cornbelt		49.50-56.95		18.72-23.50				210-225 lbs			
Iowa, Minn		48.00-58.37		18.50-23.14		Millsboro, DE Market Hogs - \$/cwt -		Next Sale 8/062/02			
FEEDER PIGS - (\$/cwt)											
Gumboro, DE -					New Holland, PA - July 24, 2002						
Head:		Trend:			Next Sale 8/19/02		Head: 195		Trend: not well tested - 22% returned		
							22-30 lbs		125.00-127.00		
							76-77 lbs		75.00- 77.00		
LIVE CATTLE FUTURES - CHICAGO MERCANTILE EXCHANGE- (\$ cwt.) - July 24, 2002					HOG FUTURES - CHICAGO MERCANTILE EXCHANGE - (\$ cwt.) - July 24, 2002						
Aug		64.22		Fb03		68.92		Aug		49.85	
Oct		66.72		Apr		69.70		Oct		40.60	
Dec		67.85								Dec	
										38.77	
										44.12	
STOCKER-FEEDER CATTLE - (\$/cwt)											
Winchester, VA - July 22, 2002					Westminster, MD - July 23, 2002						
Steers	300-400 lbs	83.00-91.00			Steers	300-500 lbs	73.00- 86.00				
	400-500 lbs	86.50-91.00				500-700 lbs	71.00- 80.00				
	500-600 lbs	80.00-83.50				Heifers	300-500 lbs	65.00- 80.00			
	600-700 lbs	73.50-78.50			500-700 lbs		64.00- 75.00				
	Heifers	300-400 lbs	75.00-85.00				700-800 lbs	48.00- 54.00			
400-500 lbs		72.00-77.00			Hols Bulls	#1	94-115 lbs	115.00-130.00			
500-600 lbs		71.00-74.50					84- 92 lbs	60.00- 87.00			
600-700 lbs		67.00-71.00					94-115 lbs	80.00-110.00			
800-900 lbs		61.00-65.50					80- 92 lbs	45.00- 60.00			
Lancaster, New Holland & Vintage - Week Ending - July 27, 2002					Hols Heifers	#1	90-115 lbs	400.00-500.00			
						#2	80-115 lbs	200.00-375.00			
Bull, Holstein		90-125 lbs		122.00-159.00		Plainer		90-120 lbs		62.00-151.00	
Heifers, Hols.		90-115 lbs		430.00-650.00		Plainer		80-105 lbs		190.00-410.00	
SLAUGHTER CATTLE (\$/cwt)											
Westminister, MD - July 24, 2002					Fed Heifers						
Fed Steers					Hi-Ch-Pr		1100-1400 lbs		66.00-67.25		
Hi- Ch -Pr		1200-1400 lbs		67.00-69.00		Veal Calves					
Ch 2&3		1100-1400 lbs		63.75-67.00		Good		80- 110 lbs		40.00-50.00	
Cows											
Breakers		39.00-42.75									
Boners		37.00-40.00									
Lean		33.00-37.00									
Thin		32.00-DOWN									
Lancaster, New Holland & Vintage - Week Ending - July 27, 2002											
Steers, Choice 2-3		1170-1475 lbs		64.00-67.50		Steady \$1 lower					
Heifers, Choice/Prime		1120-1375 lbs		64.60-68.00		\$.50 - \$1 higher early in week					
Cows, Breakers 75-80 pct lean				42.75-46.00		Steady - \$2 lower					
Bullocks, Choice 2-3		1190-1455 lbs		55.75-61.00		n/a					
Bulls, YG-1		1155-2165 lbs		54.00-62.75		Steady - \$1 lower					
Vealer, Standard & Good		70- 125 lbs		30.00-45.00		Mostly steady - \$5 lower					

For more information about this report, call 410-841-5740 or write:

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